

SAPC 18623

Copy 5 of 5

26 August 1957

Gentlemen:

Reference is made to your CMCC Doc. No. 151X5.679 indicating the benefits in combining the production of System 3's.

The procedure you proposed in your letter is hereby approved.

25X1A

[REDACTED]

PCS/DCI:DMK:bas (8/26/57)

Distribution:

Orig. - [REDACTED], RW
2. - A-101, Approvals
3. - Proj. Comptroller
4. - Chrono (RI)

5. - [REDACTED] - NY-A-501 (A&I)

STATOTHR

25X1A

98
DOCUMENT NO. _____
NO CHANGE IN CLASS.
 DECLASSIFIED
CLASS. CHANGED TO: TS C 2011
NEXT REVIEW DATE: _____
AUTH: HR 70-2
DATE: 15/12/87 REVIEWER: 010956

~~SECRET~~

16. August 1957

CMCC Doc. No. 151X5.679
Copy 1 of 2
Page 1 of 1

Dear Dan:

As I discussed with you and George during a recent visit, it is highly desirable to continue the production of the Navy System 3 equipment with the production of the small number of additional systems for

25X1A

If we can purchase materials, fabricate parts and subassemblies, and conduct final assembly and test in a combined lot, we will realize substantial savings in procurement costs, material record-keeping, assembly labor, manufacturing scheduling-time, and similar administrative and supervisory costs connected with the procurement. Accordingly, we propose to procure and fabricate both orders of equipment under a single MJO (Master Job Order) and to pro rate the costs between the two contracts on the basis of the number of systems ordered under each. Both you and George thought this was a feasible procedure, and we are currently operating on this basis.

We would appreciate a letter giving us written approval to this method of operation and the accounting procedures involved.

Sincerely,

25X1A

25X1A

Bob

NY-A-501
1 + 6 Dec.

SECRET

This document contains information affecting the national defense of the United States and is the property of the Department of Defense. It is loaned to you; it and its contents are not to be distributed outside your organization without the express written consent of the Defense Intelligence Agency, or to anyone outside the Defense Intelligence Agency without the express written consent of the Director of Defense Intelligence.